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## The Public Utilities Commission of Ohio

GEORGE V. VOINOVICH  
GOVERNOR

CRAIG A. GLAZER  
CHAIRMAN

August 20, 1992

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Ms. Donna Searcy, Secretary  
Federal Communications Commission  
1919 M. Street, N.W., Room 222  
Washington, D.C. 20554

MAIL BRANCH FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

RE: CC Docket No. RM-8012  
In the Matter of Policies and Rules Concerning  
Access Obligations of Cellular Licensees

Dear Ms. Searcy:

Enclosed for filing on behalf of the Public Utilities Commission of Ohio in CC Docket No. RM-8012 are an original and 11 copies of our comments in this proceeding. These comments are in response to the FCC's Notice of the Petition For Rulemaking [DA 92-745] dated June 10, 1992, and its Order [DA 92-1016] adopted July 27, 1992 which extended to September 2, 1992 the date for filing comments in this proceeding. An additional copy of our comments has also been enclosed. Please stamp and return it to us in the enclosed addressed postage-paid envelope.

Sincerely,

Craig A. Glazer  
Chairman

encl.

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Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, D.C. 20544

FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

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MAIL BRANCH

In the Matter of Policies and )  
Rules Pertaining to the Equal )  
Access Obligations of Cellular ) RM-8012  
Licensees )

INITIAL COMMENTS OF  
THE PUBLIC UTILITIES COMMISSION OF OHIO

The Public Utilities Commission of Ohio ("PUCO") hereby files its initial comments in support of the Petition for Rulemaking of MCI Telecommunications Corporation ("MCI") pertaining to the equal access obligations of cellular carriers. The PUCO is responsible for regulating telecommunications utilities, including cellular telephone companies, in the state of Ohio. See O.R.C. 4905.01 et seq. As such, it has a significant interest in this case since any decision by the Federal Communications Commission ("FCC") is likely to affect the nature of competition among cellular carriers under the PUCO's jurisdiction. By Order [DA 92-1016] adopted July 27, 1992, the FCC extended to September 2, 1992 and October 1, 1992, the dates for filing comments and replies, respectively, in this proceeding.

Introduction:

On June 2, 1992, MCI filed its petition seeking the FCC's initiation of a rulemaking proceeding to require all cellular licensees to interconnect with interexchange carriers ("IXCs") via uniform, nationwide, cellular equal access policies and procedures. Traditionally, equal access obligations have been imposed on Bell Operating companies ("BOCs"), including their affiliates who hold cellular licenses, under the terms of the modified final judgment issued by Judge Green in the antitrust case brought against AT&T by the Department of Justice. To date, however, equal access obligations have not been imposed on non-BOC cellular carriers. Thus, under current practice within the cellular industry, a residential or business customer ordering cellular telephone service from a BOC-affiliated cellular service provider is given an opportunity to presubscribe to an IXC of the customer's preference. However, because equal access obligations are not currently imposed on non-BOC cellular licensees, the customers of such non-BOC cellular carriers may be deprived of the opportunity

to presubscribe to a preferred IXC, and instead, be forced, on cellular interexchange calls, to accept service from the IXC chosen by the non-BOC cellular carrier. MCI has requested that the FCC implement uniform, nationwide, cellular equal access policies, under which all cellular customers -- not just BOC cellular customers -- would have an equal opportunity to purchase cellular service and interexchange service separately, on an unbundled basis. The PUCO intends to convey within these initial comments its strong support for MCI's Petition for Rulemaking.

The five Regional Bell Holding Companies ("RHCs")<sup>1</sup>, who own the BOCs, filed comments on MCI's Petition for Rulemaking which, among other things, indicate the RHCs' agreement with MCI that the appropriate time has come for the FCC to initiate a comprehensive rulemaking proceeding to consider the propriety of establishing uniform equal access requirements for all cellular service providers. Beyond this, however, the RHCs have urged the FCC to "expand the scope of the requested rulemaking to include other radio services, such as Personal Communication Services ("PCS") and Specialized Mobile Radio ("SMR"), in addition to cellular." The PUCO hereby also expresses its support for the RHCs' position that the FCC should adopt uniform and consistent equal access policies for all radio-based services. For purposes of brevity, clarity, and relevance to the topic initially raised in MCI's Petition for Rulemaking, the PUCO will, herein, specifically address the issue of imposing equal access obligations on cellular service providers. However, to the extent the FCC finds itself willing to adopt the RHC's suggestion to expand the scope of this proceeding, the PUCO invites the FCC to consider these same comments, to the extent they may be pertinent, in the context of deciding whether also to impose similar obligations on providers of other types of radio-based services.

While MCI and the RHCs both agree that the FCC should adopt uniform, nationwide equal access policies for all cellular service providers, regardless of BOC affiliation, they sharply disagree over which specific policies should be implemented. As expressed in the RHCs' comments, the essential distinction is that MCI wants to level the playing field down (so that all cellular carriers are subject to equal access obligations) while the RHCs want to level the playing field up (so that none are). For reasons which will be elaborated in further detail below, the PUCO supports the position that the equal access obligations currently imposed on BOC-affiliated cellular service providers should remain in place, and additionally be uniformly applied to all cellular service providers, and indeed to all radio telecommunication service providers.

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1. Namely, Ameritech, BellSouth Corporation, NYNEX Corporation, Pacific Telesis Group and U S West, Inc.

Discussion:

There are two principal reasons why the PUCO favors extension of existing equal access obligations, which are currently imposed only on BOC-affiliated cellular service providers, to all cellular service providers. First, the PUCO believes that imposing uniform equal access obligations on all cellular carriers will provide the broadest range of choices, not only within the cellular market, but also in the interexchange market, to all customers served simultaneously in both markets, i.e., those customers who need to make interexchange cellular calls. There is no question that imposing identical equal access obligations on all service providers in the cellular market, whether wireline or non-wireline, would eliminate any competitive imbalance which currently exists between BOC-affiliated and non-BOC cellular service providers, and thereby enhance full and fair competition within that market. Indeed, as stated above, the real question appears to be not whether to level the cellular industry's playing field by imposition of uniform equal access obligations on all cellular carriers, but whether to level that playing field up or down.

The PUCO believes that leveling down (imposing equal access obligations on all cellular carriers, rather than on none of them) is the appropriate approach because it leaves in the hands of the individual cellular customers who make long-distance cellular calls the ability to choose IXC's who might be best suited to meet the customer's individual needs. The leveling down approach provides the best opportunity for each individual customer who makes cellular long-distance calls to purchase cellular service and long-distance service separately, on an unbundled basis. Leveling up, on the other hand, would allow cellular carriers, including those who might have a direct interest in feeding interexchange traffic to particular IXC's, to impose their own IXC choices, based on the cellular carrier's own business interests, in the place of those decisions which cellular customers would otherwise be able to make for themselves. Of course, cellular carriers who are not required to offer equal access choices could, nonetheless, on their own decide to do so. But there is no empirical reason to believe that, in fact, any would actually do so. Thus, only under the leveling down approach can one expect that cellular customers will be likely to be offered an ability to make their own IXC choices, based on their own particular long-distance needs.

The second primary reason why the PUCO favors imposition of uniform equal access obligations on all cellular carriers is because it believes that, over time, cellular service appears to be increasingly becoming more viable as a substitute for wireline local exchange service. In their comments, the RHCs have pointed out that the dimensions of local service areas in cellular markets

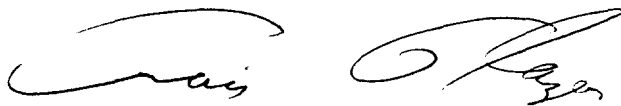
may, by their very design, differ radically from the local service areas which have been established in conventional wireline service markets. Nevertheless, lines of demarcation separating local from long-distance must, of necessity, be drawn not only with respect to conventional wireline calls but also with respect to cellular calls. Given the ongoing and burgeoning competition for local traffic between conventional wireline and cellular service providers, the PUCO believes that it would be appropriate to implement identical equal access standards at all points where either the local cellular market or the local wireline market interfaces with the interexchange market. The imposition of the same equal access standards on both cellular carriers as well as conventional wireline local exchange companies will help create the proper competitive balance between the two markets. That is, fair and full competition between the two local markets (cellular and conventional wireline) would be enhanced to the extent customers may leave either local market and enter the interexchange market under essentially similar conditions.

Conclusion:

The PUCO strongly supports the initiation of a rulemaking proceeding to adopt uniform and consistent equal access policies for all providers of radio-based services, including cellular carriers, PCSs, and SMRs. As regards cellular carriers specifically, the PUCO's position is that, because it would both enhance fair competitive balance between wireline and non-wireline cellular carriers, while also maximizing customer choice by allowing for the purchase of cellular service and long-distance service separately and on an unbundled basis, the equal access obligations which are currently imposed on BOC-affiliated cellular service providers should remain in place, and additionally be uniformly applied to all cellular service providers.

Respectfully submitted,

PUBLIC UTILITIES COMMISSION OF OHIO



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